



Bill Schapp, Ellen Ray, and Louis Wolf (left to right) are editors of Covert Action. STATES NEWS SERVICE

the principle, 'When in doubt, don't classify.' What we're seeing now is the reversal of that principle.

"And for what reason? Why shouldn't the government make public all the information it had compiled about, for example, the character of [right-wing El Salvador politician] Roberto d'Aubuisson? If the government gets a report saying d'Aubuisson is an absolute butcher, why is that report classified? Why should the American people be kept from the truth? National security has come to mean the security of those who invoke it. Officials hide what is embarrassing or inconvenient, what poses a challenge to their positions or their agency.

"The impact of current and pending rule changes will make it nearly impossible to discuss serious intelligence-related issues, certainly intelligence abuses," Wolf said. "CIA entrepreneurs ... will

have an easier time doing business with Idi Amin. And if you came across an operation where a CIA team was planning an immoral, illegal, unauthorized act, it would be a crime to break that story, because you can't write a story without identifying who is involved."

While Covert Action defends an unrestrained press as a bulwark of democracy, others have attacked the magazine's own brand of muckraking as lethally irresponsible. In 1975 Richard Welch, the CIA chief of station in Athens attached to the US embassy under diplomatic cover, was assassinated. Earlier, he had been publicly named by Agee as an agent. Then-CIA Director William Colby blamed this exposure for the murder. During congressional debate on the identities-protection bill, Sen. Chafee used the Welch case as an example of what the legislation would prevent from recurring.

The editors of Covert Action deny they are accountable for any harm that comes to CIA agents. "When we identified agents," Wolf said, "we did so from public materials."

Covert Action has also been accused of being a conduit for Soviet forgeries.

Schapp conceded that in the nether world of intelligence agencies and clandestine operations, evidence is often ambiguous and sometimes deceiving. But he defends the integrity of the magazine's investigative probes.

After columnist Anderson charged they were mouthpieces for Cuba and the Soviet Union, the editors said, they telephoned Anderson and reminded him that in the past he had solicited information from them and used it in stories.

"We told him that if we were KGB agents," Schapp joked, "then he'd have to tell his readers he'd been our dupe."

Young Businessman

The Columbia University-educated businessman started out on April Fools' Day 1979. That was just a few months before the coup that installed the military-civilian junta that now has given way to a new government, the result of the recent election. He borrowed \$10,000 and, joined by five friends, set up Maquinsal, an industrial-sewing-machine concern. They persuaded Singer Co. to give them \$100,000 of sewing machines on credit, and they were in business.

"Everyone thought we were crazy; Nicaragua was in turmoil, and things were very tense here," he says. "But this country was always one of the most fiscally conservative in the area and had an excellent credit rating before everything started to blow. We convinced just enough people that with everyone else getting scared and leaving, this was a chance to move in on the market."

The game plan was to go after the "little guy—the one with the small factory off in some mountainside community." His salesmen lugged models of the machines to remote villages where the dressmaking industry usually consisted of a few local women gathered under one roof doing piecework. He started out with six employees. Now he has 38 people on the payroll. In 1981, he had net income of \$200,000 on sales of close to \$1 million. And he has launched a \$10,000 television ad campaign this spring to push a new line of machines.

His shop is still modest, with its tiny display floor of different sewing machines, like a menagerie of exotic, long-necked creatures. Tucked away in a sultry corner of a back room, 40 women pore over dress patterns to the hypnotic whirl of fans. This is a little school that Maquinsal runs for anyone who wants to improve his dressmaking skills. The businessman says that there has been an explosion in the textile apparel in-

dustries here because no one can import anymore, and that his classes are always full. The company loses about \$1,000 a month on subsidizing the lessons, but the businessman says they are a good investment anyway.

"First of all, it promotes our name," he explains. "Many of these women will open factories one day, and we hope they will remember us. But it also helps my country by making ~~something~~ ~~for~~ ~~the~~ ~~country~~. Maybe someday, when ~~the~~ ~~country~~ ~~is~~ ~~all~~ ~~over~~, we can export our products. That's our real future."

General Manager

In 1978, as general manager of a manufacturer of cartons and boxes, he had three plants working around the clock with 900 employees; annual sales totaled \$25 million. Today, the company has 600 employees, operates a single shift at each plant and reported 1981 sales 38% below those of 1978.

The general manager's situation pretty much sums up conditions for most Salvadoran manufacturers today. He has lost about 30% of his Central American customers because they don't trust that he can deliver. Even if he can find a trucker willing to risk driving through rebel-held territory, the costs are exorbitant. An independent trucker used to charge him about \$1,600 to drive to Panama; these days, he's lucky to get away with \$5,000.

He has also lost credit from his U.S. suppliers. He has to import just about all his raw materials: paper, cellophane, aluminum and so forth. His suppliers used to let him request an order by telex and would immediately dispatch the materials. He then had 180 days to pay. But when the war with the guerrillas started heating up a couple of years ago, all that changed. As one U.S. supplier who had been a close friend for years told him, "Your factory has an A-1 rating, but Not the country. No more credit."

So now his suppliers want a letter of credit for dollars guaranteed by the Salvadoran central bank. That means the general manager has to deposit 100% of the value of the order in colons, the local currency, and then wait for the central bank to come up with the dollars. That usually takes about two months, then there is another two-month wait to process his order in the U.S. "Meanwhile, I've got valuable working capital tied up doing absolutely nothing," he laments. (The banker at Banco Cuscatlan says the banks are making a bundle on that money because they can lend it out without having to pay interest.)

What hurts the general manager the most, however, is that it's getting harder and harder to keep his employees on. He says he should fire about half the remaining 600 workers to make the company most efficient. But many of the workers have been with the company for over 10 years, and some of them are like family, he says. So he, along with many other employers, is going to try to keep them on the payroll, even if there isn't any work. "If we let them go, there's a good chance they'll end up on the other side with the guerrillas, throwing bombs at us," he explains. "We're all in this together. And that's the only way we'll ever win."